

The A B C

OF

Finance and Social Credit

COMPILED BY

R. L.

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The "Free Man" Pamphlets

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1. THE ABC OF FINANCE AND SOCIAL CREDIT. Compiled by R. L.
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"THE FREE MAN."

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1933

CONTENTS

No.		PAGE
1.	Money	3
2.	Economy	4
3.	The Economic System	4
4.	The Financial System	5
5.	Kinds of Credit	6
6.	Credit	7
7.	Capital Goods	9
8.	Debts and Loans	10
9.	Inflation and Deflation	11
10.	Exports	12
11.	Imports	14
12.	A Favourable Balance of Trade	15
13.	The Aim of the D.S.C.P.	15
14.	Major C. H. Douglas	16
15.	The Social Credit Proposals	16
16.	The A + B Theorem	17
17.	The Just Price	18
18.	Purchasing Power	19
19.	The National Dividend	19
20.	Unemployment	20
21.	Leisure	22
22.	Disarmament	23
23.	War	24

References—

D. S. C. P. = Major Douglas' Social Credit Proposals.

* = Major Douglas.

† = Arthur Brenton.

The A B C of Finance and Social Credit

Compiled by

R. L.

I. MONEY.

1. What is Money?

“ Money is any medium which has reached such a degree of acceptability that, no matter what it is made of, and no matter why people want it, no one will refuse it in exchange for his product.” (Professor WALKER.)

2. Should Money have any Value in itself?

None whatever.

3. What, then, gives Money its Value?

The quantity (or quality) of goods one can receive in exchange for it.

4. Is Money a commodity?

It should not be, but under the so-called gold standard all kinds of money are supposed to be convertible into gold, and gold is a commodity.

5. How, then, should Money be regarded?

As a ticket entitling one to goods or services.

6. Should there be any limit to the number of tickets (i.e., the amount of money)?

The limit should be determined by the quantity of the goods produced—the more goods the more money.

7. What advantage would accrue from this?

There could not be, as there is to-day, an abundance of goods and a scarcity of money.

4 THE A B C OF FINANCE AND SOCIAL CREDIT.

2. ECONOMY.

1. What is Economy?

The wise use of one's resources.

2. Is that the generally accepted meaning of the word to-day?

No.

3. What is meant by the word "Economy" to-day?

Doing without things.

4. You mean even supposing the things are in existence, or can be produced?

Yes, to-day the word means ABSTENTION from the use of commodities; or, where abstention is physically impossible, using as few as possible.

5. What are the effects of this policy?

Chiefly two. FIRST: Almost every one is forced to endure a lower standard of living than is necessary. SECOND: The reduced consumption is, ipso facto, reducing production.

6. Does that mean that the more economy is practised the greater is the amount of unemployment?

Exactly.

7. Does that explain why the Prime Minister advocated "wise spending"?

It is not safe to-day to infer why a Prime Minister says anything.

3. THE ECONOMIC SYSTEM.

1. What is the function of an economic system?

"To achieve the highest rate of consumption by the least expenditure of personal energy."†

2. Is the economic system fulfilling its function?

No.

3. Why is that?

Because it is prevented from doing so by the operations of the financial system. In a word, the financial system controls the economic system.

4. How does the financial system maintain such a control?

Chiefly in three ways. FIRST: By basing the amount of credit available on the ability of the Bank of England to secure an adequate gold reserve and not on the productive capacity of the community. SECOND: By claiming all issues of credits as debts to the banking system. THIRD: By its system of recovering all costs in the prices of consumable goods.

5. Would the D.S.C.P. free the economic system from this control?

Yes.

6. How?

The answer lies in a study of the D.S.C.P. (See The Social Credit Proposals, 15.)

4. THE FINANCIAL SYSTEM.**1. What is the function of a financial system?**

"The business of a modern and effective financial system is to issue credit to the consumer, up to the limit of the productive capacity of the producer, so that either the consumers' real demand is satiated, or the producers' capacity is exhausted, whichever happens first."*

2. Is the financial system fulfilling this function to-day?

Obviously not, or there would not be financial poverty in the midst of real wealth.

3. What reasons are given for this failure?

The following have, from time to time, been held responsible:—War debts, reparations, free trade, tariffs, nationalism, the stupidity of politicians, cussedness on the part of trade unions, over-production, under-production, lack of initiative among industrialists, sun-spots, original sin.

4. What does Major Douglas say is the real reason?

That the financial system is now functioning for purposes outwith its proper sphere.

6 THE A B C OF FINANCE AND SOCIAL CREDIT.

5. What are these purposes?

They are two in number. FIRST: To give employment. SECOND: To secure world control for those in financial authority.

6. What enables these financiers to exercise this control?

Chiefly their monopoly of credit creation and credit destruction.

7. What change would the D.S.C.P. make in this respect?

They would transfer the control of credit from the present controllers of the financial system to the individuals composing the nation.

5. KINDS OF CREDIT.

1. How many kinds of credit are there?

There are two kinds. FIRST: There is REAL credit which may be defined as "the belief as to the capacity of a community to deliver goods and services as, when, and where required."** SECOND: There is FINANCIAL credit which "is the instrument for setting real credit in motion and converting it into actual goods and services and for distributing them where they are desired."*

2. What should be the relation between real and financial credit?

The latter should always reflect the former.

3. Is this the case under the present financial system?

No; else how could the world be rich in goods and poor in money at one and the same time?

4. How would this financial credit be estimated?

"By counting up the cost value of all our existing plant, machinery, railways, canals, mines, ships, factories, etc., and then regarding the sum involved as financial credit due to the community."†

5. What would be the result?

The community would then control its real credit, i.e., its wealth.

6. CREDIT.**1. What is meant by credit?**

(a) Credit is derived from the Latin word credere, which means to believe.

(b) Credit is thus the belief any one has in another.

(c) Used in a banking sense the word means the belief on the part of the banker that his customer will repay a loan, at or within, a stated time.

(d) As nine-tenths of the money in circulation is in the form of credit, credit and money are for all practical purposes synonymous.

2. Where does the banker get the money with which to grant credit to a customer?

(a) He creates it. "A bank is a manufactory of credit." (Macleod.)

(b) "£1000 in cash deposits enables the banker to lend up to £10,000 of credit." (See Macmillan Report, Chapter IV.)

3. Who claims the credit thus created?

The banker.

4. Is it really his?

No.

5. Then by what right does he claim it?

By no right; merely by convention.

6. Does the banker accept the answer to Question 4 above?

No. At first the banker denied that he created money; now he admits the fact, but still maintains that the new money is his.

8 THE A B C OF FINANCE AND SOCIAL CREDIT.

7. To whom, then, does the credit belong?

To the community. "All credit values are derived from the community."*

8. What does the banker do with the money he creates?

He lends it to a customer of the bank (usually a producer) in return for security. "The new money, or credit, is claimed by the financial institution as its property, and therefore when it is lent creates a debt against the public."*

9. What does the bank's customer do with this money?

In the process of producing he creates prices which must necessarily be greater than the loan and from these prices repays the loan plus interest thereon.

10. Does that mean that the community is always in process of repaying a bank loan?

Yes; and as the greater part of any one loan is spent on existing goods a further loan is necessary to liquidate the previous loan.

11. Does that mean that the community is continuously in debt to the banking system?

Absolutely.

12. Can the community free itself from the control of the banks?

Yes.

13. Will it be easy doing so?

No.

14. Why?

Because "money is a licence to live," and the banker, by his control of money, can thwart every effort to escape.

15. Will the community win its escape?

Yes; and for two reasons. FIRST: The present banking system relies on the continued financial ignorance of the community; it encourages people to believe that there is something mysterious about finance; and that

the slightest inquiry will bring disaster (a disaster which by his control of money the banker can quite easily engineer). But, like murder, knowledge will out, and the community is now more enlightened on financial matters than ever before. SECOND: The present financial system is mathematically unsound, and is increasingly failing to function.

16. What are the D.S.C.P. re credit?

They are two in number. FIRST: "The credits required to finance production shall be supplied, not from savings, but shall be new credits relating to new production."* SECOND: The community shall be credited with the capital values created by such credits.

17. In what ways would these proposals assist the community?

Chiefly in two ways. FIRST: The issue of free credits would reduce excessive bank charges, and would also make large sums of money, at present invested, available as purchasing power. SECOND: The community would be entirely free from bank debts.

18. How would these changes affect the present banking system?

The banking system would relinquish its present monopoly of creating credit; otherwise banks would continue to discharge their proper function of facilitating and recording the exchange of goods.

19. What effect would these proposals have on the productive system?

Freed from the artificial and throttling restrictions of the present financial system the productive system would be able to expand (or contract), *pari-passu*, with the desires of the community.

7. CAPITAL GOODS.

1. What are capital goods?

Capital goods are those—factories, plant, roads, etc.—by means of which ultimate products reach the consumers.

2. How large a supply of capital goods does a country require?

Such a supply as will provide the maximum amount of consumable goods desired by the consumers.

3. Is there just that necessary supply to-day?

No; the supply is excessive in relation to the amount of consumable goods produced.

4. Why is that?

For two reasons. FIRST: Because bank loans are credited to producers, and capital goods are suitable as security against such loans. SECOND: The purchasing power obtained in the production of capital goods helps to make good the deficiency of purchasing power distributed in the making of consumable goods.

5. What effect would the D.S.C.P. have in this respect?

They would tend strongly to preserve a balance between the production of capital goods and consumable goods; e.g. new factories would be built only if and when factories at present in existence failed to meet the demands of consumers.

8. DEBTS AND LOANS.

1. What is a private loan?

A transfer of wealth (or a claim to wealth) from one person to another.

2. What is a bank loan?

A bank loan is a loan granted by a bank to a customer upon security.

3. Whose money does the banker lend?

No person's. "No depositor has his deposit reduced by the amount of the loan. The banker has as much created new money as if he had printed bank-notes."*

4. What is meant by war debts?

They can, for convenience, be considered as belonging to two categories. INTERNAL: Subscribed by citizens and various institutions. The money subscribed

by citizens represented savings; that subscribed by banks was in the form of bank loans and was really new money which the banks, in virtue of their control of credit, were in a position to create.

5. Does that mean that the banks really lent nothing and have been drawing interest on this credit money ever since?

Well, what they really lent to the Government was the credit of the community to produce wealth to that amount (and a bit more). INTERNATIONAL: These loans were created by the respective national banks as described above and their respective communities pledged to honour them by producing goods. An example will make it clear. The Bank of England by its power to create credit bought American dollars (representing a similar creation of credit by American bankers), and these dollars were paid to the American people to produce commodities (munitions, etc.) for the British people. What the Americans got out of the transaction was hard work and wages. British repayment of the debt should therefore be by British people working hard and receiving wages in order to return the kindness of the American people. The failure to realise this, due to an artificial financial system out of touch with reality, is largely the cause of the "American debt crisis" and of all international debts.

9. INFLATION AND DEFLATION.

1. What is inflation?: deflation?

Inflation is the name given to a condition brought about by an increase in the amount of money leading to an increase in prices; and vice-versa, deflation is the result of a restriction of the supply of money leading to a fall in prices.

2. Is inflation, or deflation, good or bad in an economic sense?

Neither. They are the two normal features of banking policy. When bankers create credit, they are inflationists; when they withdraw loans, they are deflationists.

3. Do both inflation and deflation affect all classes of the populace alike?

No. Inflation is more favourable for the working class, while being detrimental to the rentier; on the other hand, deflation by producing a scarcity of money increases the value of whatever money there is, thus favouring the rentier, but, by having an adverse effect on trade and industry, causes unemployment. In the words of J. M. Keynes, "It is easier to agree that both are evils to be shunned."

4. Are the D.S.C.P. inflationary or deflationary?

Neither. Since they increase the amount of money in circulation they cannot be deflationary; and, since they lower prices by means of the Just Price, they cannot be inflationary.

5. Does that mean that the D.S.C.P. introduce a new mechanism into the financial system?

Yes. They make possible what has hitherto been considered impossible; they increase the supply of money, and at the same time, and, *pari-passu*, they lower prices. (See "Just Price," 17.)

10. EXPORTS.

1. What are exports?

Exports are goods produced in one country and sold to a customer in some other country.

2. Why should goods be exported at all?

For one reason only: "To diversify consumption."†

3. Is that the reason to-day?

No. Goods to-day are exported because the home market cannot buy these goods. And for a further reason: because the purchasing power received in exchange helps to buy the consumable goods in the home market. Giving evidence before the Macmillan Commission, Sir W. H. N. Goschen said: "To my mind what industry wants is not more facilities, but more buyers from abroad."

4. And why cannot the home market buy the goods exported?

Because there is not sufficient purchasing power to do so.

5. Does this apply to all countries?

Yes.

6. Then are all industrial countries trying to find "foreign" markets?

Yes.

7. Is this impossible?

Absolutely.

8. Does a country gain or lose by exporting goods?

It loses by virtue of the fact that wealth is sent out of the country.

9. Does that mean that all countries are pursuing a policy of impoverishing themselves by their export trade?

What else can they be doing? Does any one become materially richer by giving away wealth?

10. Very good; but what about a country's imports? Do not they at least neutralise the loss of the exports?

For the answer to this question see "Imports" (11).

11. What are some of the results of the present policy?

Tariffs, Trade Agreements, Quotas, &c.

12. In the end what will the result be?

Prophecy is dangerous, but the possibilities are revolution, or war, or both.

13. Is there no other possible result?

Well, perhaps a world financial dictatorship of some kind will emerge.

II. IMPORTS.

1. What are imports?

Imports are goods produced abroad and sold in the home market.

2. Should imports make a country richer or poorer?

That seems a silly question to ask. Obviously they must make it richer.

3. Then why are all countries so desperately anxious to prevent the importation of goods?

Because of a farcical financial system.

4. What exactly is meant by that answer?

Look at "Exports" (10, 3). It therefore follows that, if the "home" market cannot buy the goods that had to find a "foreign" market, it cannot buy any additional goods imported.

5. Am I not right in thinking then that the exports pay for the imports?

No; although that is what many people imagine.

6. Does that mean that every country is striving to export and not to import?

That is correct; and is, you will agree, an impossible undertaking.

7. What steps would required to be taken to remedy the situation?

The people in any and every country would require to have sufficient purchasing power to cover the cost of all goods produced so that if some goods are exported the people will have a quantity of money equivalent in value to the goods exported; and that money will be available to buy the goods imported.

8. Would the D.S.C.P. lead to the abolition of tariffs and all similar restrictions on imports?

Yes; and why not, since imports and exports ought to be an interchange of goods to enable a people to diversify consumption if necessary.

12. A FAVOURABLE BALANCE OF TRADE.

1. What is a favourable balance of trade?

A favourable balance of trade is the advantage (?) that a country derives from giving away (i.e. exporting) more than it gets (i.e. imports).

2. Should that not be called an unfavourable balance of trade?

Yes, of course it should ; but a stupid financial system makes good evil, and evil good.

3. Can all countries have a favourable balance of trade at one and the same time?

No ; for that would mean they were *all* exporting more than they were importing.

4. How can this obviously absurd arrangement be remedied?

By correcting the flaw in the price system.

5. And how is that done?

The answer is to be found by studying The "National Dividend" (19) and "The Just Price" (17).

13. THE AIM OF THE D. S. C. P.

1. What is the aim of the D.S.C.P.?

The aim is to enable the members of the community to buy all the goods they produce up to the limit of their desires.

2. What is required to realise that aim?

Such a financial system (i.e. a distributive system) as would enable the goods produced to be delivered where, when and as required.

3. What would be the result of the introduction of such a financial system?

The result would be to inaugurate a state of economic freedom for each individual such as no country in the world has ever enjoyed.

14. MAJOR C. H. DOUGLAS.

1. Clifford Hugh Douglas is a major in the R.A.F. (Reserve).
2. He was born in the year 1879.
3. He was educated at Cambridge University.
4. He is by profession a consulting engineer, holding the following degrees:—M.I.MECH.E., M.I.E.E.
5. He has held many important appointments, among which may be mentioned:—
 - (a) Chief Construction Engineer, British Westinghouse, Co.
 - (b) Chief Engineer and Manager for India of Westinghouse & Co.
 - (c) Deputy Chief Engineer on Electrification Schemes, Buenos Aires and Pacific Railway Co.
 - (d) Assistant Superintendent, Royal Aircraft Factory, Farnborough.
6. He is the author of the following books:—
Economic Democracy.
Credit Power and Democracy.
The Control and Distribution of Credit.
Social Credit.
The Monopoly of Credit.
Warning Democracy.
The New and the Old Economics.

15. SOCIAL CREDIT PROPOSALS.

1. What are the Social Credit Proposals of Major Douglas?

They are three in number.

FIRST: “The cash credits of the population of any country shall, at any moment, be collectively equal to the collective cash prices for consumable goods for sale in that country, and such cash credits shall be cancelled on the purchase of goods for consumption.”*

2. By what financial mechanism is the above secured?

By means of the "Just Price Formula" (17, 4).

SECOND: "The credit required to finance production shall be supplied, not from savings, but shall be new credits relating to new production."*

3. What is the reason for this second proposal?

Because all savings are, in the first instance, a curtailment of purchasing power.

THIRD: "The distribution of cash credits to individuals shall be progressively less dependent upon employment. That is to say, that the dividend shall progressively displace the wage and salary."*

4. What is the justification for this?

Simply this: as machines are increasingly displacing human labour, employment is decreasingly capable of distributing purchasing power to all members of the community.

I6. THE A + B THEOREM.**1. What is the A + B Theorem?**

The theorem states that where A represents all payments made to individuals (wages, salaries, and dividends), and where B represents all payments made to other organisations (raw materials, bank charges, and other external costs), "the rate of flow of purchasing power is represented by A; but since all payments go into prices the rate of flow of prices cannot be less than A + B. Since A will not purchase A + B, a proportion of the product at least equivalent to B must be distributed by a form of purchasing power which is not comprised in the description grouped under A."*

2. Does that mean that there is always a shortage of purchasing power under the present system?

Yes.

3. How many reasons are there for this state of affairs?

Two.

4. What are they?

FIRST: Money which should be used as purchasing power is used for investment purposes (i.e. saved).

SECOND: The fact that under the present system all costs are charged into prices and the community never has the money to meet all these costs. " If the public gets £2000 for producing £2000 worth of factories, plant, and consumable goods, and pays the whole £2000 for the consumable goods alone, it cannot afford to pay a penny piece in the future on account of the factories and plants."†

5. How do the D.S.C.P. remedy this?

In two ways.

FIRST: As outlined in " Credit " (6, 16).

SECOND: " By fixing the prices of ultimate commodities according to the proportion that consumption bears, not only to these products, but to capital production as well."*

17. THE JUST PRICE.**1. What is meant by the Just Price?**

The Just Price is the REAL cost of any article as distinguished from its FINANCIAL cost.

2. Why is it necessary to make this distinction?

Because the consumer has not the necessary purchasing power to meet the financial cost (i.e. the selling price) of all the goods produced.

3. Why is that?

Because the selling price includes items of cost which the consumer has not enough money to defray.

4. How is the Just Price arrived at?

It is a ratio based on the statement that " the cost of production is consumption," and therefore the Just Price is:—

$$\frac{\text{Total National Consumption}}{\text{Total National Production}} \} \times \text{financial cost.}$$

18. PURCHASING POWER.

1. What is purchasing power?

Purchasing power is the amount of cash in the possession of the people (and at call) which is available for spending on consumable goods.

2. In what way is purchasing power lessened under the present financial system?

Mainly in three ways. FIRST: By investments (i.e. savings). SECOND: By deflation (i.e. recall of loans). THIRD: By the operation of the financial law that all costs must be recovered in prices.

3. If that is true, why has the financial system been able to continue so long without breaking down?

There are two reasons: FIRST: Purchasing power in the home market has been increased by money received in the production of goods for export. SECOND: Purchasing power has also been increased by the production of capital goods.

4. Is there anything to prevent the two reasons in 3 from continuing?

Yes. FIRST: All industrial countries have reached the stage of requiring an export trade (see 10) and are increasingly finding difficulty in meeting that need. SECOND: All capital production creates a debt under the present system, and the community has not the money wherewith to liquidate the debt.

5. How do the D.S.C.P. remedy this deficiency in purchasing power?

FIRST: By financing new undertakings by new credits. (See "Social Credit Proposals," 15.) SECOND: By means of the "Just Price" (see 17).

19. THE NATIONAL DIVIDEND.

1. What is the national dividend?

The national dividend is a sum of money divided equally among the citizens of the country and is additional to wages and salaries.

3. But why a national dividend at all?

On account of the increasing displacement of human labour by machinery, only in some such way can all citizens share the communal heritage.

3. How would the amount of the national dividend be arrived at?

It would be obtained by (a) " placing a money value on the country's capital assets, and (b) assessing the present commercial capitalised value of the population."* The national dividend would be based on the total figure thus obtained, and would thereafter depend on the ratio of appreciation to depreciation.

4. What would be some effects of the distribution of a national dividend?

- (a) Taken in conjunction with the Just Price every one could live in material comfort.
- (b) Poverty on the part of any one would be the direct result of wastefulness.
- (c) There would be no need for charity as practised to-day.
- (d) There would be a marked increase in the spirit of self-respect and the spirit of independence.

20. UNEMPLOYMENT.

1. What is usually meant by the term " work "?

The performance of any service of value to another in return for a remuneration.

2. How is such service usually remunerated?

By the receipt of wages, salaries, dividends, or profits.

3. Are machines not increasingly displacing human labour?

They are.

4. What result does this produce?

Unemployment.

5. What is unemployment?

Unpaid leisure.

6. Does the increased use of mechanical power lead to a greater or a lesser productivity?

Greater, very much greater.

7. Why then are the unemployed not allowed to consume as much as formerly?

Because under the present financial system money is loaned only for certain approved forms of work.

8. What would be the logical solution of the problem under the present regime?

That all "surplus" labour (i.e. unemployed men and women, boys and girls) should conveniently depart this life at the earliest possible moment.

9. Is it suggested that such a solution should be encouraged?

Decidedly not; but the recorded increase in the number of suicides indicates that a growing number of our fellow-beings are having recourse to this way of escape.

10. But the Government does do something for the unemployed?

Yes, and for the aged. These payments are, in themselves, an acknowledgment that "work" in itself is not an adequate method by which to distribute purchasing power.

11. Is there any solution to the unemployment problem?

Yes.

12. What is it?

The distribution of purchasing power other than by wages and salaries (i.e. "The National Dividend" (19).

13. Is there any other possible solution?

None.

14. Are there any objections to this solution?

Well, perhaps not objections, certainly prejudices.

15. What are some of them?

- (a) Fear that men and women would not voluntarily associate to maintain the present standard of living or to secure a higher one.
- (b) Fear that many of our fellows could not be trusted to "pull their weight" for a common cause the fruits of which all would share.
- (c) A belief that man was sent into the world to do what is called "work."
- (d) An idea that continuous and unremitting toil is necessary throughout the best years of man's existence in order to secure the present standard of living.
- (e) An erroneous and primitive idea of "work."
- (f) The belief that if men and women were not kept "working" they would get into mischief.
- (g) A disinclination for any radical change in our habits of life.

21. LEISURE.

1. What is leisure?

Unemployment accompanied by a high standard of living.

2. Should the aim be to increase or decrease the amount of leisure available for each and all?

The ideal to be aimed at would be a steadily rising standard of living accompanied by a gradually increasing amount of leisure.

3. Then the aim should not be to provide work?

That is so. The aim should rather be to transfer the burden of human labour more and more to the machine and thus make man the master of the machine instead of being at the moment its competitor, if not its servant.

4. What would you say was one test of a progressive society?

In an economic sense one test would be the extent to which an increasing measure of leisure could be the possession of each and all.

5. But would men and women be capable of utilising their leisure in a profitable manner?

That question belongs to the sphere of ethics, not economics.

6. Is it expected to realise this aim in the lifetime of the present generation?

Of course not; the aim presents us with an ideal worthy of the active support of every intelligent man and woman in the country.

7. What would you say then was the ultimate goal?

In an economic sense such a goal would be the leisure state.

22. DISARMAMENT.

1. What is a reasonable attitude to adopt towards the question of disarmament?

It is first of all necessary to understand that, given the present financial system, armaments are a national economic necessity.

2. How does that come about?

By the fact that each country is in competition with every other one for the rights of "foreign" markets, and this necessity is ultimately enforced by military power.

3. And how does that affect the question of disarmament?

If the cause of economic war is removed the need for armaments will, *ipso facto*, be removed.

4. What then is the first step towards disarmament?

The introduction of a financial system which abolishes national competition for markets.

5. Would this be one of the effects of the D.S.C.P.?
It would.

6. Will there be no disarmament until the financial system is changed?

Disarmament will probably be forced upon the world.

7. By whom?

By the financial hierarchy.

8. Why?

Because military power is probably the only power superior to financial power. "Disarmament in a military sense is a pressing requisite to a continuation of the present ascendence of the banking system."*

9. Should one therefore be opposed to disarmament?

Under the present financial system, yes.

10. But under the system envisaged by the D.S.C.P.?

Under the conditions which would succeed the introduction of the D.S.C.P. one could hardly imagine the people of any country wasting their abilities on the construction of means of destruction and death.

23. WAR.

1. What are the popular notions as to the causes of war?

The ambition of national rulers; the hatred felt by the nationals of one country for those of another; the need for expansion by rapidly-growing populations.

2. Where is the chief cause of war to be sought to-day?

The chief cause of war is to be found in the operation of the financial system.

3. Why is that?

Because under the present financial system no one country can buy all the goods it produces.

4. How is that brought about?

By the fact that the total prices of commodities always exceed the total purchasing power of the community.

5. What is the result?

Each country attempts to dispose of its surplus (i.e., what cannot be bought) by exporting it. (See 10, 3.)

6. What does that lead to?

It leads to a state of economic warfare. The Prime Minister (Mr Ramsay MacDonald) said, "Markets must be got back."

7. And the final act is—?

The final act is war.

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